

**ACCOUNTING PROCEDURES
FOR
KENTUCKY SCHOOL ACTIVITY FUNDS**

July 2001

FOREWORD

The local board of education has an obligation to provide its students with an activities program that is attractive, meaningful, worthwhile, and within the framework of the educational and organizational policies of the board. A well-designed activities program will enrich the quality of the curriculum, provide new learning experiences, encourage interest in classroom work, and strengthen morale and discipline. The opportunity for students to participate in the planning and execution of club activities is a life-preparation experience. Encouraging club treasurers to assist in the accounting procedures should be part of the fiscal management of activity accounts.

Public trust demands an efficient system of accounting for all money received and expended through school activity fund accounts. The system of safeguarding and accounting for activity funds is dependent on the soundness and effectiveness of board of education policies and guidelines. The board has the responsibility of insuring accurate accounting for all accounts, as well as insuring activity funds are expended as intended by the fund-raising.

The procedures contained in this handbook provide a method of uniform accounting for school activity funds as mandated by 702 KAR 3:130(3) and KRS 156.070. This handbook is incorporated by reference and becomes a part of the Kentucky Administrative Regulations. Use of the procedures in this handbook provides reasonable assurance that schools have properly accounted for monies realized through student and school activities. All transactions shall, at a minimum, be in accordance with the guidelines of this document, Accounting Procedures for Kentucky School Activity Funds, using the forms contained herein or equivalent. The equivalent must contain, at a minimum, the information listed on the forms, however, additional information may be added, if desired. Within the scope of its authority, a local board of education may enact a policy more restrictive than the procedures established in this handbook.

**“REDBOOK”
TABLE OF CONTENTS**

SCHOOL ACTIVITY FUND AUTHORITY AND RESPONSIBILITIES	1
LOCAL SCHOOL BOARD	1
SUPERINTENDENT	1
SCHOOL BASED DECISION MAKING (SBDM) COUNCIL (PRINCIPAL IF NO COUNCIL)	2
PRINCIPAL	2
SCHOOL TREASURER	3
CLUBS/ACTIVITIES	3
SUPPORT/BOOSTER ORGANIZATIONS USING EXTERNAL ACCOUNTS	3
INTERNAL ACCOUNTS AND ACTIVITY FUNDS	4
BOOKKEEPING	4
HANDLING CASH	4
SEGREGATION OF DUTIES	5
MONITORING FUND-RAISING	6
TICKET SALES	6
TRANSFERS	7
BANKING AND INVESTMENTS	7
EXPENDITURES	7
PROCUREMENT	7
PURCHASING	8
CASH ADVANCES, TRAVEL REIMBURSEMENTS, AND PAY FOR SERVICES	9
CREDIT CARDS	9
PETTY CASH	10
REPORTS	10
ACTIVITY FUND BUDGETS	10
FINANCIAL REPORTS	11
DEFINITIONS	12
FORMS	13
INDEX	33

SCHOOL ACTIVITY FUND AUTHORITY AND RESPONSIBILITIES
LOCAL SCHOOL BOARD

AUTHORITY:

1. Control and manage all public schools in its district (KRS 160.290); and school activity funds (OAG 78-644).
2. Bid items costing \$20,000 or more purchased under the Bid Law (KRS 424.260 and 702 KAR 3:135) or items costing \$10,000 or more purchased under Model Procurement (KRS 45A). **BIDDING IS NOT A SCHOOL OR SBDM COUNCIL FUNCTION.** SBDM councils may participate in developing bid documents or otherwise assist with the bidding process with their local board. The council may assist with the creation of bid specifications and conditions, and serve on bid evaluation committees.
3. Enter into lease agreements (KRS 160.160); **LEASING IS NOT A SCHOOL OR SBDM COUNCIL FUNCTION.**
4. Designate depositories (KRS 160.570), and incur debt (KRS 160.540-550, 287.280-290).
5. Regulate investment of excess cash. (KRS 66.480)
6. Regulate school fund-raising activities (KRS 158.290)(3)(a).
7. Regulate expense reimbursements to employees (KRS 160.280, 160.410).
8. Accept donations and gifts on behalf of the school. (KRS 160.580)

RESPONSIBILITIES:

1. Adopt policies regarding activity funds relative to SBDM councils. Ensure that no policy or procedure adopted by the board shall infringe on rights and privileges granted to SBDM councils (KRS 160.345). Board may include principals and school councils in the formulation of policies and procedures.
2. Withhold and pay taxes and other deductions, including the employer liability, for local, state, and federal taxes, FICA and Medicare, KTRS and CERS, Unemployment and Worker's Compensation (KRS 61.410, 61.500, 161.540, 161.560, 342.640).
3. Notify employees and taxing agencies of total compensation and tax withholding (W-2, 1099, etc.).
4. Approve school-wide fund-raising activities (KRS 158.290).
5. Ensure that fund-raising activities contribute to the educational experience of the students enrolled in school and are not in conflict with the instructional program.
6. Ensure that activities do not conflict with the implementation of Title IX responsibilities of the district.

SUPERINTENDENT

AUTHORITY:

1. Hire all employees including temporary and contract labor.
2. Interprets and enforces all policies of the local board and administrative procedures of the district, unless otherwise noted by board policy.
3. Ensure that activities do not conflict with the implementation of Title IX responsibilities of the district.

RESPONSIBILITIES:

1. Issue all temporary work contracts.

SCHOOL BASED DECISION MAKING (SBDM) COUNCIL (PRINCIPAL IF NO COUNCIL)

AUTHORITY:

1. Determine school activity fund policy consistent with board policy (KRS 160.345).
2. In accordance with board policy, determine use of school general activity funds from bookstore sales, snack and beverage sales, and other office activity funds not raised by a school organization for a specific purpose. These sales are mainly to students. Therefore, the profits must be used for the benefit of students and not for the school's physical operating expenses that are the responsibility of the local board. If the employee's lounge has vending machines or other concessions, the profit may be used for employee purposes.

RESPONSIBILITIES:

1. Provide input in the school general activity fund budget and other office activity fund budgets.
2. Participate in the creation of bid specifications and conditions, and serve on bid evaluation committees, if requested by the board.
3. Participate in formulation of policies and procedures concerning activity funds, if requested by the board.
4. Ensure board and council policies are followed.
5. Ensure compliance with Title IX issues as it relates to fund-raising and expenditures.

PRINCIPAL

AUTHORITY:

1. Act as Board/SBDM Council designated administrator of school activity funds (KRS 160.345(2)(c)).
2. Assume the role of the SBDM Council if none exists.

RESPONSIBILITIES:

1. Approve/sign activity fund documentation.
2. Appoint a designee to act in the absence of the principal .
3. Obtain board approval for school-wide fund-raising activities.
4. Prepare and submit annual Internal Account Budget to the superintendent.
5. Submit monthly and annual financial reports (Forms F-SA-14 and 15) to the superintendent.
6. Obtain the names of the club officers of all support/booster organizations at the beginning of the school year.
7. Obtain annual budgets from each booster club within the first thirty days of the school year showing estimated revenues from admissions, fundraisers, dues, concession sales, and other categories, and estimated expenditures by category.
8. Obtain an annual financial report from each booster club by July 25 of each year, for the year ended June 30. The report shall provide receipts from admissions, fundraisers, dues, concession sales, and other categories; expenditures by payee; and beginning and ending balances.
9. Ensure compliance with Title IX issues as it relates to fund-raising and expenditures.

SCHOOL TREASURER

RESPONSIBILITIES:

1. Record transactions for the Internal Account and the school activity funds.
2. Maintain financial records for the Internal Account and the school activity funds.

CLUBS/ACTIVITIES

AUTHORITY:

1. Determine use of club/activity funds subject to board policy.

RESPONSIBILITIES:

1. Select a responsible and trustworthy sponsor to guide the group and elect officers.
2. Obtain approval for fund-raising activities using Form F-SA-2A according to board or council policies.
3. Publicize fund-raising activities in advance, with purpose and intended use of profits indicated.
4. Ensure funds are expended in accordance with the purpose and intended use only.
5. Use the Fund Raiser Worksheet (Form F-SA-2B) to reconcile the number of items taken, sold, and returned with money turned in.
6. Follow guidelines within this publication for handling cash.
7. Submit annual Activity Fund Budget to principal.
8. Ensure compliance with Title IX issues as it relates to fund-raising and expenditures.

SUPPORT/BOOSTER ORGANIZATIONS USING EXTERNAL ACCOUNTS

AUTHORITY:

1. Raise funds through board approved activities on and off school property in the name of the school or school activity and maintain those funds in a separate bank account.

RESPONSIBILITIES:

1. A support/booster organization using external accounts shall not use the state tax exempt or federal identification number of the school or district but shall obtain a state tax exempt number specifically and only for the use of the support/booster organization. A federal identification number, specifically and only for the use of the support/booster organization, shall also be obtained if required for federal reporting purposes.
2. Submit the names of the club officers to the principal at the beginning of the school year.
3. Submit an annual booster club budget to the principal within the first thirty days of the school year showing estimated revenues from admissions, fundraisers, dues, concession sales, and other categories, and estimated expenditures by category.
4. Ensure funds are expended in accordance with the purpose and intended use only.
5. Submit an annual financial report to the principal by July 25 for the year ended June 30 reporting receipts from admissions, fundraisers, dues, concession sales, and other categories; expenditures by payee; and beginning and ending balances.

6. Ensure compliance with Title IX issues as it relates to fund-raising and expenditures.

INTERNAL ACCOUNTS AND ACTIVITY FUNDS

The system of accounting described in this handbook is based on the assumption that each school activity program is organized and accepted as a part of the total school program. The following procedures must be followed when establishing an internal account:

1. Each school shall have one checking account and one school treasurer for all school activity funds. This bank account is designated as the Internal Account and the school treasurer is the Internal Account Treasurer. Normally, the school secretary/account clerk serves as school treasurer. No student shall serve in this capacity. All checks written on the Internal Account shall contain the signatures of the principal or his designee, and the school treasurer. **The school treasurer shall be bonded.**
2. The school treasurer shall prepare an Activity Fund Ledger for each activity fund using Form F-SA-12. All transactions are entered on the Internal Account Ledger (Form F-SA-11) then posted to the appropriate Activity Fund Ledger. The Internal Account is to be reconciled to the monthly bank statement. The total of all Activity Fund Ledger balances must equal the balance in the Internal Account.
3. Prior year balances shall be entered at the beginning of each fiscal year (July 1). Ledger and checkbook shall be maintained on a daily basis to ensure current balances.

BOOKKEEPING

HANDLING CASH

POLICY:

1. All money collected by a teacher/sponsor shall be given to the school treasurer on the day collected.
2. Pre-numbered receipts shall be issued any time money is received, and all receipt numbers shall be accounted for.
3. Generally, all monies collected should be deposited on a daily basis. In the event that less than \$100 is on hand to deposit, smaller amounts may be held in a secure location until \$100 is collected. At a minimum, deposits shall be made on a weekly basis even if the deposit amount is less than \$100.
4. Personal checks shall not be cashed using cash on hand for deposit. The school is not a bank.
5. Charging a fee for checks returned for insufficient funds is permissible if such policy is clearly advertised.
6. An employee, other than the person preparing the deposit slips, shall verify that the amount on the deposit ticket agrees with the amount of receipts recorded in the ledger sheets and that the deposit ticket has been stamped by the bank. Discrepancies shall be reported immediately to the district finance officer.

PROCEDURES:

1. Teachers/sponsors/students shall use the Multiple Receipt Form (Form F-SA-6) or pre-numbered receipts when collecting money. A copy of Form F-SA-6 or a copy of the pre-numbered receipt shall be retained by the teacher/sponsor and a copy shall be given to the school treasurer.
2. The school treasurer and the person turning in the money shall jointly count the money. A pre-numbered receipt shall be issued by the school treasurer and retained by the teacher/sponsor.
3. Immediately upon receipt, the school treasurer shall endorse all checks: "For Deposit Only".
4. The school treasurer shall prepare deposit slips containing the issuer name and the amount of each check to be deposited.

5. The school treasurer shall record receipts in the Internal Account Ledger (Form F-SA-11), as well as in the appropriate Activity Fund Ledger (Form F-SA-12).
6. Bank statement shall be reconciled monthly using Form F-SA-14. The reconciliation shall be filed with the bank statement and canceled checks for the month. The reconciliation shall also include investments.
7. Checks returned for insufficient funds shall be redeposited on a separate deposit slip indicating such, and NOT ENTERED AS A RECEIPT. They may be reconciling items on the Monthly Financial Report (Form F-SA-14). If returned checks are deemed uncollectible, the amount of the checks shall be entered as negative receipts in the ledgers to prevent receipts from being overstated. The returned checks shall be filed with the bank statements for audit trail.

SEGREGATION OF DUTIES

Precautions must be taken to protect activity fund money from loss and limit the liability of persons handling the money. Recommendations made by the school district auditor should be implemented. The following are suggested ways to segregate duties. Persons #1, #2, and #3 cannot be the same person. The clerk could be a club treasurer or sponsor.

HANDLING RECEIPTS

Person #1 (Clerk)

- Opens the mail but does not open bank statements.
- Records the checks by payee in chronological order.
- Receives cash and writes pre-numbered receipt for cash to payee.

Person #2 (School Treasurer)

- Photocopies the checks. (Optional, but encouraged.)
- Records receipts on a deposit ticket.
- Records revenue in school accounting system to agree with the deposit tickets.

Person #3 (Principal)

- Reconciles the log produced by person #1 to the deposit ticket.
- Deposits checks and cash.

PAYING BILLS

Person #3 (Principal)

- Approves invoices.

Person #2 (School Treasurer)

- Enters invoices. Every invoice paid should contain an invoice, signed PO, and a receipt of goods/packing slip initialed by the purchaser confirming receipt except recurring bills such as newspaper subscriptions.
- Prints checks.

Person #1 (Clerk)

- Matches invoices to checks.
- Mails checks.

PREPARING BANK RECONCILIATION

Person #3 (Principal)

- Opens bank statement. It is important that a perception exists that someone is looking. The checks could be fanned to scan signatures. Bank statement could be reviewed to find inconsistent check numbers or abnormal transaction amounts.
- Compares chronological listing of receipts from Person #1 to deposit slips from Person #2 to deposits on the bank statement.

Person #2 (School Treasurer)

- Sorts checks in numerical order and clears them in school accounting system.
- Reconciles bank statement to books using Form F-SA-14.

Person #1 (Clerk)

- Reviews bank reconciliation.

MONITORING FUND-RAISING

POLICY:

1. Fund-raising activities shall be monitored using Fund Raiser Worksheet (Form F-SA-2B).
2. Reasonable profits on concession and vending machines sales and bookstore sales shall be verified using Inventory Control Worksheet (Form F-SA-5). (Full service vending is encouraged when sufficient staff is not available to handle inventory; in which case, the vendor shall provide reconciliation of the service.)
3. KRS 367.515 requires magazine sales be approved in writing by the superintendent. Such approval shall identify the product or products being sold, solicitors involved, and duration of sales. The approval must be filed with the county clerk.

TICKET SALES

POLICY:

1. Pre-numbered tickets shall be used for ALL events for which admission is charged.
2. Ticket colors shall be changed for consecutive events.
3. Tickets shall be stored in a locked cabinet or safe.
4. In the case of athletic events, board/council policy may allow a check to be written to the athletic director for change money from the athletic account at the beginning of the season. A written agreement should be executed stating that the money shall be returned intact at a specified time.

PROCEDURES:

1. The principal or school treasurer shall issue tickets to the person in charge of sales for each event using the Requisition and Report of Ticket Sales (Form F-SA-1).
2. The person in charge determines the number of tickets to be used, records the beginning ticket number, and signs the form.
3. Tickets and change money are given to the person in charge who verifies the numbers recorded. Tickets and change money are given to ticket sellers using the same procedure.
4. The ticket seller gives the entire ticket to the customer. The ticket taker tears the ticket in half, gives half to the customer, and retains half.
5. The number of tickets collected is then reconciled with the number of tickets sold and to the amount of cash given to the school treasurer
6. Ticket sellers return money collected, change money, and unsold tickets to the person in charge. The ticket taker returns the ticket halves. Reconciliation, explanation of shortages/overages, and signatures are recorded using Form F-SA-1.
7. The money and the report are delivered to the school treasurer. The school treasurer and the person in charge of ticket sales shall verify the beginning and ending numbers of tickets and account for money collected. Discrepancies must be resolved immediately.
8. The school treasurer prepares a receipt and attaches a copy to the report. A deposit slip should be completed and initialed by the person in charge showing that the amount is correct.

TRANSFERS

POLICY:

1. Transfers Between Activity Funds - Amounts may be transferred between activity funds **only by proper completion of a Transfer Form (Form F-SA-10)**. If, for example, a portion of athletic receipts is given to the band for their participation, an entry is made to reduce one fund balance and increase the other. Such a transfer does not affect the Internal Account and bank account balance. The sponsor of the remitting (paying) activity, the school treasurer, and the principal shall sign the Transfer Form. The explanation on the Activity Fund Ledger (Form F-SA-12) should state which account is affected and why.
2. Transfers from the Local Board - While transfer of local board monies to the school for any purpose is highly discouraged, the practice is a local issue. If a transfer is made, it should be clearly described in the Internal Account Ledger. If the money is restricted to a specific use, it should be posted to a new Activity Fund Ledger for audit trail purposes.

BANKING AND INVESTMENTS

POLICY:

1. The Internal Account shall be in an interest bearing checking account at a Board approved bank. This cannot be a bank operated by students.
2. Schools are neither authorized to borrow money from nor authorized to loan money to employees or others. Personal checks shall not be cashed from school money.
3. Excess cash shall be invested. Investments must be in accordance with Board investment policy. The Annual Financial Report (Form F-SA-15A) shall include the amount invested and indicate the amounts in checking and investment accounts.
4. Certificates of Deposit shall remain at the bank for safekeeping. A copy shall be kept at the school to verify the amount recorded in the Internal Account.

EXPENDITURES

PROCUREMENT

POLICY:

1. Activity fund purchases shall comply with Kentucky Revised Statutes, Kentucky Board of Education Regulations, and local board policies.
2. Bidding and purchasing is a local board's responsibility. Individual schools do not have the authority to advertise and award bids. A school does not operate as a separate entity, but as a part of the school district. The local board is accountable for funds maintained and expended at the school level. Aggregate expenditures of the district are examined for adherence to bid laws.
3. Schools may legally purchase items from the central office bid list, the cooperative bid list, the Governmental Services Administration (GSA) bid list, or the Kentucky state bid list. All purchases shall be made in accordance with the board's purchasing policies. SEE ALSO: Authority and Responsibilities of Board and SBDM Council.
4. The following items, normally purchased from school activity accounts, may be subject to district bidding requirements:
 - a) instructional materials.
 - b) items for resale (concession items, snacks, colas, bookstore items, shirts, etc.).
 - c) class rings, yearbooks, school pictures.
 - d) athletic supplies and equipment.

- e) band equipment and uniforms.

For more information please refer to KRS 45A.300; KRS 156.031; KRS 156.070; KRS 156.076; KRS 424.260; and 702 KAR 3:135, and the Procurement section (Section VIII) of the Financial Management Manual located at the local board office or on KDE's Web site at <http://www.kde.state.ky.us/odss/finance/fmm/table.pdf>.

PURCHASING

POLICY:

1. No school activity money shall be used to purchase personal items for staff members even with a reimbursement agreement. Only staff generated funds, including proceeds from snack machines in staff areas, may be used for staff gifts, dinners, etc.
2. School activity funds shall not be used to pay for any renovation or maintenance of school facilities or buildings.
3. School activity money generated by students may be used to provide student incentives for scholarship, athletics, specialized area performance, school spirit, and similar achievements.
4. School activity money may not be used to provide attendance incentives for the compulsory instructional day, unless the incentives are considered instructional, i.e., instructional field trips, books, magazines or other instructional materials. Awards such as tee shirts, parties or non-instructional field trips shall be funded by non-tax, non-Board controlled dollars such as donations from local businesses or the PTA.
5. Checks shall not be made payable to "CASH" except for change at events. All checks for the Petty Cash fund payable to "CASH" shall be fully documented.
6. Schools are exempt from the payment of sales tax. Employees purchasing items for the school cannot be reimbursed for sales tax. A copy of the Tax Exemption Certificate is to be sent to any vendor requesting one. Booster clubs may not make tax-free purchases using the school's tax exemption.
7. The use of pre-numbered checks is required for all disbursements.
8. Checks shall be mailed the same day as signed.

PROCEDURES:

1. To initiate a purchase, a Purchase Order (Form F-SA-7) shall be prepared and approved by the sponsor and principal before the payment is obligated. The Purchase Order is filed with the school treasurer and is classified as an encumbrance until the merchandise is received.
2. Shipping tickets for merchandise ordered shall be compared to the purchase order, initialed and dated by the receiver, and section B of the purchase order completed. Section B serves as a receiving report to support payment of invoices. The employee requesting the purchase shall also retain a copy of the purchase order.
3. Before being processed, each disbursement shall be documented by a completed purchase order and an original vendor invoice. If a vendor invoice is not available, the disbursement shall be supported by a standard invoice (Form F-SA-8), which must be signed by the payee.
4. The vendor invoice and/or the standard invoice must have the approval and signature of the principal and the faculty sponsor of the activity expending the monies before the payment process can be continued.
5. The school treasurer shall match up the purchase order, shipping document (if applicable), and vendor and/or standard invoice and verify that all items ordered have been received, services have been satisfactorily performed, all amounts agree, and that all necessary approvals and signatures have been obtained. Any problems or discrepancies shall be resolved before a check is written. The school treasurer shall post the disbursement to the Internal Account Ledger (Form F-SA-11), as well as to the appropriate Activity Fund Ledger (Form F-SA-12).

6. The check number and date paid shall be noted on the invoice. The invoice shall be clearly marked "paid".
7. The school treasurer shall then file all documents for a disbursement together by month, in an organized manner, under "paid invoices".
8. To void checks print the word VOID across the face of the check and tear the signature portion torn off. If the check was entered in the account ledgers, the entry shall be marked VOID. Amounts shall be recorded as negative expenses, NOT RECEIPTS. Void checks are filed with the monthly canceled checks.

CASH ADVANCES, TRAVEL REIMBURSEMENTS, AND PAY FOR SERVICES

POLICY:

1. Cash Advances - A club sponsor/teacher may receive cash advances only if there are **students** participating in a class trip or club outing. Cash advances and expense reimbursements shall be supported by the Expense Report (Form F-SA-9). The completed form, related receipts, other support documents, and unused cash shall be returned immediately after the trip.
2. Travel Reimbursements - Reimbursement of travel expenses incurred by employees performing special duty, such as attending a Beta Club convention, shall be consistent with local board policy. Payment may be made from school activity fund with submission of a Travel Voucher (Form F-SA-16) approved by the principal. Travel Vouchers should be submitted in a timely manner and should follow the local board's and school's policies. Employees should be reimbursed for sales tax on food and hotel expenses.
3. Pay For Services: Non-District Employees - Payments to persons who are not district employees, such as officials for athletic events, shall be made by check from the school activity fund with a standard invoice (Form F-SA-8) signed by the payee. A copy of the invoice shall be submitted to the board office for 1099 purposes.
4. Pay For Services: District Employees - Payments to persons who are district employees such as coaches and sponsors must be paid through MUNIS payroll for accurate reporting. They cannot be paid directly from school activity funds for extra duties and services.

CREDIT CARDS

POLICY:

1. Credit cards may be used only if allowed by board policy.
2. No employees shall make personal purchases using the school credit cards.
3. Credit cards must be safeguarded and kept under lock and key to protect against unauthorized use.
4. Cards may be checked out to individual employees (each card has different last four digits) using Credit Card Sign-In/Out Form (Form F-SA-13).
5. There should be no charges on the card without a prior-approved purchase order and a corresponding itemized store receipt.
6. Approved purchase orders and itemized store receipts should be submitted immediately or at least weekly in order that bills may be paid in a timely manner.
7. Loss of cards shall be reported immediately to the appropriate office.

PETTY CASH

POLICY:

1. With local board approval, a petty cash fund may be maintained for miscellaneous small purchases, such as stamps, and making change.
2. The board shall establish the maximum amount of the petty cash fund.
3. The principal or his designee shall select the person to be in charge of the petty cash fund.
4. The cash obtained shall be safeguarded at all times. It should be stored in a safe or secure drawer. The drawer should be locked when the keeper of the fund is not present.
5. All cash disbursed from petty cash requires a receipt stating amount and reason. The receipts are stored with the cash. At any time, the amount of cash and receipts should total the established fund balance.
6. Personal checks shall not be cashed using the petty cash fund.
7. The petty cash fund shall not be used to loan money to anyone for any reason.

PROCEDURES:

1. To first establish the fund, a Standard Invoice (Form F-SA-8) shall be prepared and a check written for CASH in the amount of the agreed upon fund balance. The school general activity fund or other office activity fund shall be charged.
2. When the cash in the fund must be replenished, the receipts are totaled and a standard invoice is prepared for the amount of the receipts. A check for CASH is written in the same amount. All receipts are attached to the standard invoice.
3. Reconciliation of the fund should be done before and after replenishment. The reconciliation shall be filed with the standard invoice.
4. The petty cash fund shall be closed at the end of the fiscal year (June 30). The cash is deposited and an entry is made to the general activity fund or other office activity fund charged above.
5. The petty cash fund shall appear on the Monthly Financial Report (Form F-SA-14).

REPORTS

ACTIVITY FUND BUDGETS

POLICY:

1. Each club and organization shall prepare a tentative budget of receipts and expenditures for the next school year on the Activity Fund Budget (Form F-SA-4A) or Booster Club Budget (Form F-SA-4B). The budgets are due to the principal by April 15. The sponsor shall work with the officers in this process to assure continuity of activity programs. The principal or designated others shall prepare budgets for all other funds.
2. The principal shall submit the Internal Account Budget (Form F-SA-3) and attached individual activity fund budgets to the superintendent by May 15th. The superintendent submits this to the local board. This budget development should be consistent with KRS 160.470 related to the budget cycle. Information provided shall include anticipated receipts from all sources, including fund-raising. Receipts and expenditures shall be detailed for each activity account at the school. Fund-raising requests from school support groups may be included as part of the school activity budgets. Local board approval of school activity budgets and fund-raising activities should be complete by the end of May for the following year.
3. The clubs and organizations shall adopt final budgets within thirty days after the school year begins.

FINANCIAL REPORTS

POLICY:

1. The school treasurer shall prepare the Monthly Financial Report (Form F-SA-14) at the close of each month. The original shall be signed and reviewed for accuracy and reasonableness by the principal and submitted to the superintendent or finance officer and a copy retained in the files. A list of accounts receivable and accounts payable (Form F-SA-15B) shall accompany the report.
2. Copies of the Monthly Financial Reports shall be sent to each club/organization sponsor.
3. The school treasurer shall prepare the Annual School Activity Report (Forms F-SA-15A & B) at the end of the school year. The report shall cover the period July 1 through June 30 and shall be signed by the school treasurer and the principal. The original shall be submitted to the superintendent or finance officer and a copy retained in the files and made available to the auditor.
4. **No school activity fund shall end the fiscal year (June 30) with a deficit balance.** Receivables and payables should be included in the end of year balance. In the event a fund is deficit, the board is responsible for all financial obligations of the district, including those incurred by school principals or their agents. (KRS 160.550) All transfers of money to cover deficit balances shall be reimbursed only when funds are available.
5. School activity funds shall be audited by a certified public accountant (CPA) annually (702 KAR 3:130). The audit report shall be reviewed and accepted by the local board and appropriate action taken. A copy of the school's report shall be on file in the office of the principal and the superintendent.
6. Internal Account financial records are to be retained for 3 years.

DEFINITIONS

Activity Funds- individual funds which as a whole make up the Internal Account. Such funds are generally associated with specific clubs, associations, organizations, or activities, i.e., FHA, Beta Club, athletic clubs, bookstore, teachers' lounge, etc. The receipts and disbursements of each fund are accounted for separately. SBDM allocations are not activity funds and should be recorded in MUNIS. Family Resource Centers and Day Cares are not activity funds and should be recorded in MUNIS as Internal Service Funds.

Internal Account - a bank account created to document financial transactions related to monies generated at the school from such activities as fund-raising, athletic events, bookstore sales, telephone and vending commissions, and any other board-approved activity. School Based Decision Making (SBDM) allocations are not part of the Internal Account.

MUNIS - the central accounting system for local school districts.

Payables - balances owed to others for goods or services purchased by the activity.

Receivables - claims held against others for goods or services provided by the activity.

Tax Exemption Certificate - document issued by the Revenue Cabinet to confirm sales tax exempt status of schools.

SBDM Council - School Based Decision Making Council made up of educators and parents who make decisions on instruction, curriculum, extracurricular programs, personnel, and other aspects of school management.

School Treasurer - the Internal Account Treasurer unless otherwise designated as club treasurer.

FORMS

SCHOOL ACTIVITY FUND
REQUISITION AND REPORT OF TICKET SALES

F-SA-1

School
Activity Fund

Event
Date

TICKET REQUISITION

This is to acknowledge receipt of the tickets to be sold for the activity listed above. The beginning ticket number is recorded in Column B. The ensuing ticket number will be recorded in Column D on completion of ticket sales. Receipt of \$ _____ for change is also acknowledged.

<p>Attach start and end tickets here.</p>

Person In Charge Of Sales

REPORT OF SALES

		A	B	C	D	E	F	G	H
		Ticket Color	Beginning Ticket No.	Ticket Seller Initials	Next Available Ticket No.	Ticket Seller Initials	No. of Tickets Sold (D - B)	Price Each	Total (F x G)
Advance Sales	Adults								
	Students								
GATE 1	Adults								
	Students								
GATE 2	Adults								
	Students								
GATE 3	Adults								
	Students								
GATE 4	Adults								
	Students								

Checks
Currency
Coin
Total

Total Sales
Change Returned
Cash Over/Short
Total Cash

RECEIVED BY

Person in Charge of Sales

Internal Account Treasurer

**SCHOOL ACTIVITY FUND
FUND RAISER APPROVAL**

F-SA-2A

School
Activity Fund
Sponsor
Date Submitted

Purpose of fund-raising activity:

Beneficiary of fund-raising activity:

Date(s) scheduled:

Names of adult supervisors at activity (chaperones, custodians, etc.):

Approved/Not Approved:

Principal

Date

SBDM Council (If Council Policy)

Date

Superintendent (If School-Wide Fund Raiser)

Date

**SCHOOL ACTIVITY FUND
FUND RAISER WORKSHEET**

F-SA-2B

School
Activity Fund
Date
Fund Raiser

1. Total Count of Items to be sold

2. Item Count x Sales Price = Budgeted Sales

		Total count must equal Line 1.	

Total Budgeted Sales

3. Receipts

Date	Amount	Date	Amount

Total Receipts

4. Expenses

Date	Check #	Amount	Date	Check #	Amount

Total Expenses

5. Total Count of Unsold Items

6. Item Count x Sales Price = Unsold Items

		Total count must equal Line 5.	

**Total Value
of Unsold Items**

7. Anticipated Profit (Line 2 - Line 4)

8. Value of Unsold Items (Line 6)

9. Subtotal (Line 7 - Line 8)

10. Actual Profit (Line 3 - Line 4)

11. Cash Over/Short (Line 9 - Line 10)

Disposition of Unsold Items:

<input type="checkbox"/>	Returned
<input type="checkbox"/>	Held for Next Fund Raiser
<input type="checkbox"/>	Other (Please explain)

Investigate significant differences immediately.

Sponsor

Principal

F-SA-3

Year

Date _____

F-SA-4A

Year

Sponsor

F-SA-4B

Club Treasurer

Club President

19

**SCHOOL ACTIVITY FUND
INVENTORY CONTROL WORKSHEET**

F-SA-5

School
Activity Fund
Type of Inventory
Vendors
Reporting Period

1. Beginning Inventory

Item	Count	x Sales Price	= Total
Cash in machine or on hand.			

**Total Value
Beginning Inventory**

2. Deliveries

Date	Item	Count	x	Sales Price	= Total

**Total Value
Deliveries**

Subtotal A

3. Collections

Date	Initials	Amount	Date	Initials	Amount

**Total Value
Collections**

4. Ending Inventory

Item	Count	x Sales Price	= Total
Cash in machine or on hand.			

**Total Value
Ending Inventory**

Subtotal B

If Subtotal A > Subtotal B, there is a shortage. Explain if significant. List retail value of items lost, damaged, or given away.

If Subtotal B > Subtotal A, there is an overage. Explain if significant.

**SCHOOL ACTIVITY FUND
MULTIPLE RECEIPT FORM**

F-SA-6

School
Activity Fund

Fund Raiser
Teacher

	Student Signature	Amount		Student Signature	Amount
1.			21.		
2.			22.		
3.			23.		
4.			24.		
5.			25.		
6.			26.		
7.			27.		
8.			28.		
9.			29.		
10.			30.		
11.			31.		
12.			32.		
13.			33.		
14.			34.		
15.			35.		
16.			36.		
17.			37.		
18.			38.		
19.			39.		
20.			40.		

Students must sign form as they turn in money. The form and collected money must be given to the Internal Account Treasurer. The treasurer will complete the Recapitulation Section and issue a receipt.

Recapitulation:	No. of Students		Total Amount Remitted	
------------------------	------------------------	--	------------------------------	--

Person Remitting Money

Internal Account Treasurer

Date

Date

**SCHOOL ACTIVITY FUND
PURCHASE ORDER**

F-SA-7

School	P. O. No.
Activity Fund	Date

Section A			
Vendor's Name _____ Address _____			
Line	Quantity	Item Description	Cost
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
Total			

Deliver By _____	Date _____
Requested By _____	Sponsor _____
Approved By _____	Principal _____

Section B			
Date Received _____			
Items Not Delivered			
Line	Quantity	Item Description	Cost
Total			

Original Purchase Order Amount

Less Items Not Delivered

Other Adjustments (Please Explain)

Net Amount Due

Attach Invoices

Amount Paid	_____
Date Paid	_____
Check No.	_____

**SCHOOL ACTIVITY FUND
STANDARD INVOICE**

F-SA-8

School
Activity Fund

Date
Tax I.D. No.

Approval for Purchase

Principal

<div style="display: flex; justify-content: space-between;"><div style="width: 30%;">Vendor's Name</div><div>_____</div></div> <div style="display: flex; justify-content: space-between;"><div style="width: 30%;">Address</div><div>_____</div></div>			
Quantity	Item Description	Unit Cost	Total Cost
Total			

Vendor's Certification
I hereby certify that the above is a correct statement of amount due from the above named school for articles furnished or services rendered as itemized.
_____ Vendor

Approved for Payment

Sponsor

Principal

Attach Itemized Receipt if Applicable
--

Amount Paid	_____
Date Paid	_____
Check No.	_____

**SCHOOL ACTIVITY FUND
EXPENSE REPORT**

F-SA-9

School	Date
Activity Fund	

Function Description:

Date	Expense Description	Amount

Attach Receipts	Total Allowed Expenses	
	Amount Advanced (Check No. _____)	
	Amount Returned (Receipt No. _____)	
	Amount Reimbursed (Check No. _____)	

Approved

Sponsor

Principal

Internal Account Treasurer

**SCHOOL ACTIVITY FUND
TRANSFER FORM**

F-SA-10

School	Transfer No.	
	Date	

Activity Fund	Transfer Amount	
	From	To

Explanation

Approval

Transfer-From Sponsor (If Applicable)

Principal

**SCHOOL ACTIVITY FUND
TRANSFER FORM**

F-SA-10

School	Transfer No.	
	Date	

Activity Fund	Transfer Amount	
	From	To

Explanation

Approval

Transfer-From Sponsor (If Applicable)

Principal

F-SA-11

[illegible]

SCHOOL ACTIVITY FUND
ACTIVITY FUND LEDGER

F-SA-12

School
Activity Fund

[illegible]

**SCHOOL ACTIVITY FUND
CREDIT CARD SIGN IN/OUT FORM**

F-SA-13

School
Credit Card Type
Credit Card Account No.

I request permission to use the credit card identified above to procure supplies or pay for travel expenses as approved by separate documentation which is in my possession. I understand that disciplinary action may result from my use of the credit card when its use violates board policy or purchasing procedures.

I agree to be personally liable for any charges on the card for which I have not obtained prior approval before making said charges.

I further agree I will promptly reimburse the school district upon notification that a charge made by me has been determined to be inappropriate, made without prior approval, or otherwise determined to be my responsibility. The school district may withhold said funds from my paycheck at their option.

Employee's Name Checking Out Credit Card (Please Print)	Employee's Signature	Date & Time of Issuance	Date & Time of Return	Employee Witnessing Return of Credit Card

F-SA-14

Activity Fund	Beginning Balance	Receipts	Expenditures	Close of Month Balance
A. Subtotals				
B. Interfund Transfers				
C. Totals (A - B)				*

The above information is a true statement of the financial condition of the various activity funds of this school.

Internal Account Treasurer

Date

F-SA-15A

Activity Fund	Beginning Balance	Receipts	Expenditures	Close of Year Balance
A. Subtotals				
B. Interfund Transfers				
C. Totals (A - B)				*

The above information is a true statement of the financial condition of the various activity funds of this school.

Date

F-SA-15B

For Year Ending
Year

Accounts Receivable	Purpose	Activity Fund	Amount
Total			

Accounts Payable	Purpose	Activity Fund	Amount
Total			

**SCHOOL ACTIVITY FUND
TRAVEL VOUCHER**

F-SA-16

Employee
School
Activity Fund
Phone No.

Month	Day	Time of		Location		Mileage	Misc.	Lodging	Meals	Total
		Departure	Return	From	To					
									B	
Purpose									L	
									D	

Month	Day	Time of		Location		Mileage	Misc.	Lodging	Meals	Total
		Departure	Return	From	To					
									B	
Purpose									L	
									D	

Month	Day	Time of		Location		Mileage	Misc.	Lodging	Meals	Total
		Departure	Return	From	To					
									B	
Purpose									L	
									D	

Month	Day	Time of		Location		Mileage	Misc.	Lodging	Meals	Total
		Departure	Return	From	To					
									B	
Purpose									L	
									D	

Month	Day	Time of		Location		Mileage	Misc.	Lodging	Meals	Total
		Departure	Return	From	To					
									B	
Purpose									L	
									D	

						Mileage	Misc.	Lodging	Meals	Total
Total For Page										
Other Allowed Expenses (Attach Explanation)										
Grand Total										

Employee

Date

Principal

Date

INDEX

<p style="text-align: center;">A</p> <p>Activity Funds, 1, 2, 3, 4, 7, 8, 9, 11, 12</p>	<p style="text-align: center;">G</p> <p>Gifts, 1, 8</p>
<p style="text-align: center;">B</p> <p>Bank, 4, 7 Bank Account, 3, 4, 12 Bank Reconciliation, 6 Bank Statement, 4, 5 Bidding, 1, 7 Bills, 5, 9 Board Policy, 2, 3, 7, 9 Bookstore, 2, 6, 7, 12 Booster Club, 3, 8</p>	<p style="text-align: center;">H</p> <p>Handling Cash, 3, 4</p>
<p style="text-align: center;">C</p> <p>Cash Advances, 9 Club, 2, 3, 9, 10, 12 Club Treasurer, 5, 12 Credit Cards, 9</p>	<p style="text-align: center;">I</p> <p>Insufficient Funds, 4, 5 Internal Account, 2, 3, 4, 5, 7, 8, 10, 11, 12 Investments, 1, 5, 7</p>
<p style="text-align: center;">D</p> <p>Depositories, 1 Donations, 1, 8</p>	<p style="text-align: center;">L</p> <p>Lease, 1 Local School Board, 1, 2, 3, 7</p>
<p style="text-align: center;">E</p> <p>Expenditures, 3, 7, 10</p>	<p style="text-align: center;">M</p> <p>MUNIS, 9, 12</p>
<p style="text-align: center;">F</p> <p>Form F-SA-1, Requisition and Report of Ticket Sales, 6, 14 Form F-SA-2A, Fund Raiser Approval, 3, 15 Form F-SA-2B, Fund Raiser Worksheet, 3, 6, 16 Form F-SA-3, Internal Account Budget, 10, 17 Form F-SA-4A, Activity Fund Budget, 10, 18 Form F-SA-4B, Booster Club Budget, 10, 19 Form F-SA-5, Inventory Control Worksheet, 6, 20 Form F-SA-6, Multiple Receipt Form, 4, 21 Form F-SA-7, Purchase Order, 8, 22 Form F-SA-8, Standard Invoice, 8, 9, 10, 23 Form F-SA-9, Expense Report, 9, 24 Form F-SA-10, Transfer Form, 7, 25 Form F-SA-11, Internal Account Ledger, 4, 5, 8, 26 Form F-SA-12, Activity Fund Ledger, 4, 5, 7, 8, 27 Form F-SA-13, Credit Card Sign In/Out Form, 9, 28 Form F-SA-14, Monthly Financial Report, 5, 10, 11, 29 Form F-SA-15A, Annual Financial Report, 7, 10, 30 Form F-SA-15B, Annual Financial Report, 11, 31 Form F-SA-16, Travel Voucher, 9, 32 Fund-Raising, 1, 2, 3, 6, 10, 12</p>	<p style="text-align: center;">P</p> <p>Pay For Services, 9 Payables, 11, 12 Petty Cash, 8, 10 Principal, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 Procurement, 1, 7, 8 Purchase Orders, 9 Purchasing, 8</p>
	<p style="text-align: center;">R</p> <p>Receipts, 3, 4, 5, 7, 9, 10, 12 Receivables, 11, 12 Returned Checks, 5</p>
	<p style="text-align: center;">S</p> <p>SBDM Councils, 1, 2, 12 School Treasurer, 3, 4, 5, 6, 7, 8, 9, 11 Sponsor, 3, 4, 5, 7, 8, 9, 10 Superintendent, 1, 2, 10 Support Organizations, 3</p>
	<p style="text-align: center;">T</p> <p>Tax Exemption Certificate, 8, 12 Ticket Sales, 6 Transfers, 7 Travel Reimbursements, 9</p>